

BOARD AGENDA AND BOARD PAPERS

DATE AND TIME: 14 November 2012, 15:00 (Prompt)

VENUE: Alconbury Enterprise Zone, Urban&Civic Limited, 137 North Gate, Alconbury Airfield, Huntingdon, PE28 4WX

Item	Brief description	Time allocated	Access/circulation prior to board meeting
1. Introduction and welcome to new Chair		15:00 5 mins	Board Corporate Members
2. Minutes from previous board meeting	Held on 13 September 2012 at Granta Park	15:05 5 mins	Board Corporate Members
3. Performance, finance and resources	Overview of progress to date on business plan and emerging issues for this and next year; financial reporting and proposed budget amendments; projected budget for 2013/14	15:10 15 mins	Board Corporate Members
4. Recruitment and HR	Outline of potential team size; priority recruitment activities for decision	15:25 15 mins	Board Corporate Members
5. Growth Prospectus	Interim findings from the consultation exercise	15:40 10 mins	Board Corporate Members
6. A14 plans and proposals	A paper will be circulated on Monday 12 November	15:50 10 mins	Board Corporate Members
7. Skills Strategy subgroup Proposals for delivery and funding support	A paper will be circulated after the Skills Strategy Subgroup meet on Friday 09 November.	16:00 15 mins	Board Corporate Members
8. Growing Places Fund Round 1	Overview of progress; contingency plans for underspend on existing project profile after 31 January deadline.	16:15 10 mins	Board
9. Invitations to join the boards of other initiatives	<ul style="list-style-type: none"> • A47 Alliance • Local Nature Partnership • Local Transport Board 	16: 25 10 mins	Board Corporate Members
10. Other items for information	<ul style="list-style-type: none"> • BIS/CLG Core Funding • LEP funding opportunity: Recycling RDA venture capital and loan funds • Local Authority Scrutiny • Heseltine Review • European Funding 	16:35 10 mins	Board Corporate Members
11. Forthcoming items for January 15 th board meeting	<ul style="list-style-type: none"> • Corporate Governance – updates to the company articles and membership 	16:45 5 mins	Board Corporate Members
12. Any other business	Verbal updates on the day	16:50	

DATE OF NEXT BOARD MEETING: JANUARY 15th, 15:00, Alconbury Enterprise Zone

LEP BOARD MEETING

Minutes from the meeting held on
13th September 2012 from 15.00 to 16.32
at Granta Park

Board Members Present

Mark Reeve (MR) Acting Chairman
John Bridge OBE (JB)
Cllr Nick Clarke (NC)
Cllr Terry King (TK)
Dr Lynn Morgan (LM)
Allan Arnott (AA)
Cllr Jason Ablewhite
Cllr Tim Bick (TB)
Trevor Ellis (TE)

Apologies

Dr Robert Swann
Cllr Marco Cereste
Prof Sir Richard Friend FRS FREng
Prof Mike Thorne PhD (MT)
Neil Darwin (ND)

Also in attendance

Alex Plant (AP)	Board Advisor
Glenn Athey (GA)	Interim Executive Director
Laura Welham-Halstead (LWH)	Communications and Engagement Lead
Mark Cooper (MC)	Skills and Business Growth Lead
Natalie Blaken (NB)	Infrastructure and Funding Lead
Jan Pinkerton	BIS Local

1. Item 1 - Welcome

MR welcomed Cllr Tim Bick to the Board as the new Local Authority representative.

2. Item 2 – Minutes from the last meeting

The Board approved the previous minutes with no amendments.

3. Item 3 – Progress on recruiting a new Chair

MR provided the Board with a verbal update on the Chair recruitment process to date. After reviewing the expressions of interest, one candidate (Graham Nix) was interviewed by the search committee comprising MR, JB and MT.

Following the interview, some due diligence work was undertaken and positive feedback

was received about the candidate's previous work at Marshall Aerospace.

The Board discussed the potential remuneration package and settled upon a level that everyone agreed upon. The Board therefore approved the appointment of Graham Nix subject to the final negotiations being undertaken by MR.

MR

4. **Item 4 – Future Shape of the LEP**

MR introduced the paper written by GA, and proposed that a fuller discussion should be held once the new Chair was in place.

GA

After discussions, the Board agreed that GA should work up further details around the different options and seek to hold a two hour workshop once the new Chair is in place to review the matter further.

TE joined the meeting.

GA was also asked to put together a short explanation of the resources the LEP has available (financial and staffing), the current costs associated with those the resources, how the LEP got to its current shape and what is delivered by the team.

GA

5. **Item 5 – Funding programme design and awards**

The Board discussed the principles put forward within the paper, and agreed that whilst programmes should seek to be at least £250,000 it should be worded differently to make it clear that lower value programmes could be considered, as could part funding of larger programmes.

The option of having a flexible pot was also discussed, and agreed to be a good idea to consider.

NC raised the issue of funding the A14 and requested an agenda item was placed on the next LEP Board agenda to discuss this further.

LWH

The Board agreed that with the minor amendment discussed, the Executive Team could proceed to finalise the guidance and start seeking out potential projects to fund, particularly from the private sector, and bring them back to a future Board meeting.

GA

6. **Item 6 – Ensuring the early success of the Enterprise Zone**

AA proposed an amendment to the recommendation in point 10 to read "Board **calls** for a more detailed paper". The amendment was agreed, as was the recommendation.

LWH

A standing item will be added to all future agendas for an EZ update (5 minutes).

7. **Item 7 – Growing Places update**

NB introduced the paper, noting that overall the Growing Places Fund negotiations were progressing well on the whole.

The Board had a detailed discussion about the funding for Haverhill Research Park, which is being co-funded by New Anglia LEP. The funding request has changed since the first submission, with the overall infrastructure costs reducing, but other requirements for the remaining funds put forward.

The Board agreed that AP should liaise with Suffolk County Council and NB to look into the options further. This information will then be fed back to the Board electronically for a final

decision.

NB noted that the Allia agreement is due to be signed next week, with a priority charge secured as a part of the agreement. MR and AP noted thanks to NB for her work on this matter. AP

The Board discussed funding for Ashwell Business Park and agreed that a ten year payback period was acceptable. NB

The Board agreed a cut-off date of the end of January 2013 for all GPF agreements to have been completed. NB

On a separate issue, TB raised a question as to why the Local Authority Chief Executives were not able to see confidential Board papers in advance of the meeting. The Board discussed the issue, in particular non-disclosure agreements and the fact the LEP is a business-led organisation. GA to bring back a paper to a future Board meeting about this issue. GA

8. Item 8 – National Innovation Investment Institution

AP introduced a suggestion from the Science Innovation and Industry Council (SIIC) reference group to create a funding institution within the LEP area to fund innovation projects that are currently struggling to secure funding – akin to an early 3i.

The Board supported the recommendation for AP and David Gill to refine the proposal further. AP

9. Item 9 – Subgroup news and progress

NC and AP left the meeting.

MR proposed that a written update note regarding progress of all subgroups should be created as a part of the Board packs in the future. The Board agreed. GA

JB left the meeting.

10. Item 10 - AOB

10a – MR provided feedback on the BIS Select Committee hearing he spoke at earlier in the week. The key evidence centred on the requirement for core funding for the LEP. The report is due out next week.

10b – LWH provided a verbal update on the Growth Prospectus consultation. A wide range of contacts have been targeted and the consultation closes on 9th October.

GA noted that LWH had secured a secondee from the Environment Agency to support the analysis of the consultation feedback.

10c – A note from the BIS Local meeting was distributed. No further queries.

10d – Noted that Alconbury was the new location for all future Board meetings.

11. Meeting closed

The meeting closed at 4.32pm.

3. PERFORMANCE, FINANCE AND RESOURCES (AUTHOR: GA) FOR DISCUSSION

SUMMARY: FOR DECISION

1. The board notes the progress in delivering the 2012-13 Operational Plan (detailed report in Appendix 3A).
2. The board endorses the recommendations 5.1 to 5.7 relating to furthering the progress of Operational Plan objectives in this year (2012/13), and further GCGPEP objectives in subsequent years.
3. The board notes the financial reports in points 8. to 20., and agrees to the revised budget summarised in paragraphs 14. to 16.

Progress in delivering the 2012-13 operational plan

4. Overall, GCGPEP has made good progress in delivering the 2012-13 operational plan. A full report is provided in Appendix 3A in this board paper.
5. There are several aspects of the operational plan and of the work of GCGPEP to date that require highlighting and where a series of seven recommended actions (5.1 to 5.7) are proposed:
 - a. **Inward investment:** Apart from the Peterborough Area (which has a well-established brand and inward investment team) – we have not made good progress in marketing the area to inward investors and establishing capacity for handling enquiries; and are aware that our marketing and service is not able to compete with cities such as Birmingham, Manchester or even small cities like Reading. Both Cambridgeshire County Council and the Science, Innovation and Industry Council area actively reviewing and undertaking activities to improve the approach to inward investment. This would benefit from increased GCPGEP involvement and resources.

It is recommended that GCGPEP implements 3 actions: 5.1) to help fast-track delivery of the final 'Greater Cambridge' inward investment website; and 5.2) to offer more staff and resources to work with the Science, Innovation and Industry Council to review inward investment and business retention approaches and needs and make recommendations and proposals for a step-change to the approach for Greater Cambridge; and 5.3) incorporate and fast-track such approaches into activities to support inward investment in Alconbury Enterprise Zone.

- b. **Project pipeline (GPF):** Risk that there is insufficient pipeline of projects ready for further rounds of Growing Places Fund investment. Recommend that GCGPEP

5.4) Establishes small project development fund in this current financial year (c £40k)

5.5) make provision for a £500-750k project development fund (grants) from GPG Round 1 underspend; or GPF Round 2 to fund the development of concept, business case, feasibility and green book appraisal readiness for major capital projects.

- c. **Management capacity (GPF):** Significant work and technical expertise has gone into managing GPF applications and due diligence. Need for ongoing capacity.

5.6) Fast track recruitment of finance and programme manager to run GPF process (paid for with GPF admin funds) – also discussed in Board Paper 3. HR and Recruitment

- d. **Schools into business/business into schools:** scope to build on success of Peterborough Skills Vision and other local approaches. Recommend:

5.7) Develop proposals for a funding programme to enable local pilots based on Peterborough Skills Vision; develop options on how existing successful projects and activities might be supported by GCGPEP

- e. **GCPGPEP has not been responsive to funding opportunities – particularly the Regional Growth Fund.** 27 LEPs have been successfully awarded Round 3 programme bids totalling in excess of £350m.
Recommend:

5.8) Allocate staff and financial resources in 2012/13 and 2013/14 to develop funding bids, such as for RGF Round 4.

Financial performance: income and expenditure

6. Points 7. To 18. discuss the operational income and expenditure of GCGPEP. They do not discuss funding for substantive programmes and awards for stakeholders and partners – such as for the Growing Places Fund.
7. A full set of financial tables for 2011/12 and for 2012/13 up to October 12 are included in Appendix 3B. Expenditure figures represent actual expenditure from bank account transactions; as well as estimates of invoices that were being processed at that time.
8. Accounts are presented as accrued accounts – as a significant proportion of 2011/12 funding was from Central Government in arrears as LEP Start Up and Capacity Funding. It will be necessary for GCGPEP to provide cash based accounting as it starts to manage its own bank account and funding.
9. GCGPEP's income in 2011/12 was £594,700, which included £218,100 administrative funding from the Growing Places Fund. GCGPEP spent £297,600 in this year. The bulk of expenditure was on core team costs and expenses – of £143,500. It is estimated that GCGPEP carried over £297,100 of funds into the next financial year 2012/13.
10. GCGPEP's budgeted income in 2012/13, incorporating a new source of income (Government's £125,000 in core funding) is £701,600. To date (October 12, 2012), actual income stands at £242,103. Actions are in progress to recoup the bulk of outstanding local authority contributions for 2012/13.
11. Budgeted expenditure in 2012/13 is 490,764 (including £75,000 GPF contingency). Actual expenditure to date stands at £117,334. Total spending and committed spend (i.e. contracted) stands at £222,900. The best estimate of actual spend, incorporating spend on projects/items already in train is £340,234.

Revised budget plan for 2012/13

12. It is usual, at this point in the financial year to revise expenditure plans, to ask if some projects are likely to go ahead or not, and to also incorporate some new expenditure items which may be required or may present an opportunity.
13. It is proposed that several new funded activities are undertaken and incorporated in the budget:
 - Prioritise recruitment of a full-time/permanent Executive Director (additional cost in 2012/13: £20,000) and a Finance and Programme Manager (£15,000); with associated recruitment costs (£5,000).
 - Increase support for the SIIC review of Inward Investment; and for actions to improve inward investment services and marketing (£20,000)
 - Introduce a project concept development fund (£40,000) and support costs for a major funding bid, e.g. for RGF Round 4 (£20,000).
14. Given the introduction of these new expenditure items, and the revisions to the current budget, this would mean that the forecast for total expenditure is £575,600 – against a projected income of £701,600.

Illustrative budget plan for 2013/14

15. It is projected that, if there is a GPF Round 2; and that the £250,000 core funding from central government is fully matched – income will reach £822,000 in 2013/14.

16. An illustrative budget is provided in Appendix 2B. With a team of 7 staff, and other assumptions about expenditure – a budget that totals £770,900. A conclusion from this illustrative plan is that the staff headcount needs to be managed carefully – a team of 7 will not leave much contingency in the budget.
17. A larger team will also necessitate careful cashflow management and phasing of recruitment.
18. Some recruitment costs are dependent on funding from GPF Round 2 – this is not certain as a funding source – confirmation will be made as part of the Autumn Budget Statement on December 05.

APPENDIX 3A: MID-TERM REVIEW: OPERATIONAL PLAN 2012/13: GREATER CAMBRIDGE GREATER PETERBOROUGH ENTERPRISE PARTNERSHIP

OBJECTIVE 1. CREATING EMPLOYMENT OPPORTUNITIES

WHAT WE SAID AT THE BEGINNING OF THE YEAR

- Attracting investment and employment to the LEP area – particularly within the Enterprise Zone at Alconbury
- Improving the market profile of the GCGP area to attract investment and enterprise
- Investing our Growing Places Funding in infrastructure projects that create employment

Focus for 2012/13:

- Getting the Enterprise Zone ready for investors and helping secure the first employers and jobs on the site
- Improving the market profile of GCGP to potential investors
- Investing the Growing Places Fund in projects that deliver jobs and growth

Targets

500 new jobs confirmed on the Enterprise Zone at Alconbury in 2013

12,500 jobs unlocked through £15.5 million of Growing Places Fund loans and grants

£26 million of additional investment levered-in from £15.5 million of Growing Places Fund loans and grants

Doubling inward investment enquiries in 2013/14 compared to 2011/12 levels

Actions

Contribute to EZ inward investment marketing plan and activities to be launched in September 2012

Deliver a new LEP website, and support development of the Greater Cambridge Inward Investment website, to enhance the market profile of the GCGP area

MID-TERM REVIEW: PROGRESS, LESSONS LEARNED AND RECOMMENDED FURTHER ACTIONS

EZ inward investment: Budget put in place for inward investment recruitment, offer of match from HDC. Process was delayed for submission of Alconbury planning documents and finalisation of marketing collateral by Urban & Civic. **Expect to initiate inward investment recruitment in January 2013.** Board has requested an early actions business plan for the EZ specifically to address the challenge of early wins on the site. Early progress in attracting Cambridge University spin off company back to Cambridgeshire.

Improve market profile of GCGP area:

- New GCGPEP website launched on 01 November to accompany announcement of new Chair.
- Greater Cambridge branding and marketing - GCGPEP has made investment in website and branding exercise for Greater Cambridge. Pressures on partner resources has meant that finalising the content and marketing collateral of the site has been delayed.

Recommend GCGPEP explores options to help fast-track delivery of the final website

- Inward investment: need for long-term capacity and investment to provide leadership and work with partners and businesses effectively:

Apart from the Peterborough Area (which has a well-established brand and inward investment team) – we have not made good progress in marketing the area to inward investors and establishing capacity for handling enquiries; and are aware that our marketing and service is not able to compete with cities such as Birmingham, Manchester or even small cities like Reading. Both Cambridgeshire County Council and the Science, Innovation and Industry Council area actively reviewing and undertaking activities to improve the

approach to inward investment. This approach would benefit from increased GCPGEP involvement and resources.

Recommend that GCGPEP helps fast-track delivery of the final 'Greater Cambridge' inward investment website

Recommend that GCGPEP offers more staff and resources to work with the Science, Innovation and Industry Council to review inward investment and business retention approaches and needs and make recommendations and proposals for a step-change to the approach for Greater Cambridge

Consider that one of the senior staff positions in the permanent LEP team structure leads inward investment and business retention activities – shaped around recommendations of independent review

Growing Places Fund: two projects have funding agreements in place totalling £3m (Allia and Haverhill Research Park); imminent signing of Babraham Park and Ride at £1.3m and Huntingdon West Link Road at £3m. Remaining projects still going through due diligence process

- Major concern is that we have a sufficiently developed project pipeline for future funding rounds – i.e. that we have a good selection of well-designed projects amongst LEP partners that are ready to go and will quickly draw-down funding. This is also a concern with regard to other government funding opportunities – that there may be a lack of “oven ready” projects

Recommend that we make a small pot of money available now from our existing budget for early stage project concept work (£40k)

Recommend that we make provision for a £500-750k project development fund (grants) from GPF round 1 underspend or GPF round 2. Preparatory work for capital projects and activities such as infrastructure and housing can be 'capitalised'.

- Taking GPF projects to the stage where they can be signed off has involved significant work and technical input. The original application process and details submitted did not provide sufficient detail to technically appraise bids and their viability

Recommend that we fast-track recruitment of a funding programme and finance manager to implement a systematic funding framework and provide dedicated capacity for this work (the funds are already available from an allowance to spend up to 2% of our GPF allocation on admin).

2. EMPLOYER-LED SKILLS PROVISION

WHAT WE SAID AT THE BEGINNING OF THE YEAR

- Making a detailed proposition to change the skills funding and commissioning system to enable education and training provision to better meet the needs of local employers
- Working with enterprises, education and training providers and employers to help ensure provision meets the needs of local employers

Focus for 2012/13:

- Understanding the future skills needs of enterprises and alternative approaches to commissioning skills provision
- Finalise and deliver GCGP skills strategy
- Proposition on local skills funding and commissioning delivered to Government and the Skills Funding Agency
- Help enterprises and schools build relationships

Targets

75% of Skills Funding Agency funding aligned to locally agreed priorities by 2015

Actions

Skills strategy delivered by March 2013

New skills funding and commissioning processes in place in 2015

MID-TERM REVIEW: PROGRESS, LESSONS LEARNED AND RECOMMENDED FURTHER ACTIONS

Skills Strategy Group

- Skills Strategy Group submitted recommendations to board which were endorsed.
- Recommendations embedded in County Skills Strategy and Adult Learning and Skills Board.
- Meeting of Skills Strategy group on 9 November tasked with developing a strategy to implement actions resulting from board approved recommendations.
- On target to deliver a strategy for the LEP by March 2013.
- Recommend that the board approved the concepts in principle to be presented at the November meeting

Schools into Business/Business into Schools:

- Cambridge Area Partnership moving forward with the recruitment of a schools/business coordinator to be in place ASAP to provide continuity of work experience in 2012-2013. LEP part of the steering group for this work (Dr Lynn Morgan and Mark Cooper)
- Other notable existing projects/activities initiated by organisations in the LEP area (note: which in the main, predate the LEP) Peterborough Skills Vision (an exemplary approach); Fenland Enterprise in Education Project; STEM Team East

Recommend develop proposals for a funding programme to enable pilots of a model based on Peterborough Skills Vision. Explore options for the use of LEP funds to support existing successful projects and activities.

Enterprise Zone SFA Skills Fund

- Partner Group in place and involved in decision making process
- Cambridge Policy Consultants appointed to carry out gap analysis and ‘fit for purpose’ work on existing skills information. To be complete December 2012
- Project on track to provide detailed strategy and action plan in line with the SFA contract by 31 March 2013.

Working with Business Organisations:

- Provided £10,000 to Cambridgeshire Chambers of Commerce to enable a bid to the Growth and Innovation Fund. Now working as part of the steering group on ‘Speak Digital’ – a social media skills project to help businesses grow.
- Engaged with the CBI on ‘Raising Ambition for All in Schools’ project
- Working closely with the CITB to bring their ‘Client Based Approach’ project to the LEP area, designed to leverage local training and employment opportunities via clients procurement systems.

- Engaged with the National Skills Academy Network via its chair to utilise the expertise and resource on offer from these organisations.

3. ENTERPRISE AND INNOVATION

WHAT WE SAID AT THE BEGINNING OF THE YEAR

- Identifying the key opportunities for enterprise growth, and the key barriers to enterprise success
- Identifying the major opportunities from innovation, R&D and industry
- Resolving the finance gap for small- and medium- sized enterprises
- Helping make it easier for enterprises and voluntary organisations to access public sector procurement opportunities
- Providing clear guidance on where help, support and finance is available for enterprises

Focus for 2012/13:

- Providing leadership, guidance, and influence via our Science, Innovation and Industry Council
- Providing clear signposting on our website to available sources of enterprise support and to information on procurement opportunities in the public sector
- Working with financial institutions on making it easier for small enterprises to access bank finance
- Developing new approaches to enterprise finance, working with our own potential funding sources, financial institutions, local partners and European funding sources

Targets

Connect with over 200 businesses to provide support, information and opportunities online and offline by September 2013

Identify and work with 10 case-study businesses to document progress and understand barriers to growth and how they are overcome. Publish by October 2013

Actions

Signposting for enterprise support incorporated into our website by September 2012; for public procurement by December 2012

Concordat with financial institutions on simplifying small business access to bank finance by October 2012

Underpinning all of these activities will be a comprehensive communications and engagement campaign to provide businesses, voluntary sector, social enterprise and the public sector with an insight into the work of the LEP, the opportunities our area holds for economic growth and ways in which these groups can work together better in the future.

MID-TERM REVIEW: PROGRESS, LESSONS LEARNED AND **RECOMMENDED FURTHER ACTIONS**

Science, Innovation and Industry Council: has met twice, and continues to build its profile and agenda

Signposting: we have in-built capacity on our new website to deliver a signposting function. We will develop a project plan between now and the end of December to implement this.

Banking Subgroup: working with financial institutions, with first workshop held on 12 October

Support for High-Growth Businesses: signposting enquiries and leads to existing initiatives and funding support, including the St John's Innovation Centre, which is now actively running the government's 'Growth Accelerator' programme.

4. UNLOCKING OUR GROWTH POTENTIAL

WHAT WE SAID AT THE BEGINNING OF THE YEAR

- Identifying our the key economic priorities and actions that will unlock our growth potential
- Identifying the opportunities for, as well as the barriers to, economic growth
- Identifying the priority actions, projects and investments that will unlock growth
- Campaigning on major actions and investments that will unlock growth

Focus for 2012/13:

- GCGP economic strategy and action plan
- Support for local authority partners strategic planning work

Targets

£20 million in new investment committed to major actions identified in the action plan by 2015

Actions

GCGP economic strategy launched in October 2012

GCGP action plan launched in December 2012

Deliver 2 major campaigns on issues or activities that will deliver a major contribution to growth (2 issues to be agreed by board)

MID-TERM REVIEW: PROGRESS, LESSONS LEARNED AND **RECOMMENDED FURTHER ACTIONS**

Economic strategy and action plan: Evidence base developed for Consultation prospectus identifies key challenges and opportunities for growth. Consultation draft published in August, consultation phase closed in October. Responses identify the key priorities, actions and interventions to unlock growth. Will present final draft strategy and action plan for board endorsement in January 2013.

Support for partners: Working with partners on plans for enterprise support; and local plans the Strategic Planning Unit on the development of common evidence base for household and economic projections, development of a strategic employment sites proposition and submission of evidence to Local Plan consultations. The Prospectus has been described by CLG as a key step in enabling a complementary role with the planning agenda.

5. INVESTMENT FOR GROWTH

WHAT WE SAID AT THE BEGINNING OF THE YEAR

- Designing innovative financial instruments that make use of EZ business rates income, and Growing Places Fund allocations and recycled funds
- Exploring new ways of funding infrastructure and enterprise investment
- Developing a 2014-2020 European Funding Programme that meets the needs of the GCGP area

Focus for 2012/13:

- Funding models for infrastructure and enterprise
- Early work collaborating with other LEP areas to inform the 2014-2020 European Programme

Targets

Align European and other funding sources to GCGP priorities, as set out in the economic strategy and action plan

Actions

Formal submission on 2014-2020 European Funding Programmes made to UK Government in February 2013

Funding models for infrastructure and enterprise agreed in 2013

Funding models and priorities for use of Enterprise Zone business rate receipts to be agreed in 2013

MID-TERM REVIEW: PROGRESS, LESSONS LEARNED AND **RECOMMENDED FURTHER ACTIONS**

European funding: Active role in current programmes (sit on Local Management Committee and Competitiveness Delivery Group); working with neighbouring LEPs and regional Brussels office in lobbying for Technical Assistance funding to undertake work to inform next programme round 2014-2020.

Funding models: in process of commissioning technical expert to help design funding frameworks and models; with neighbouring LEPs, participating in innovative financing workshop

Responding to funding opportunities: GCGPEP has not been responsive enough. 27 LEPs have successfully been awarded over £350m in funds to deliver business growth programmes under Regional Growth Funding Round 3.

Recommend allocate staff and financial resources for funding applications, such as RGF Round 4 (as well as other potential sources). Other LEP success in RGF Round 3 shows that there are funding sources available for business growth programmes, and that investment in project ideas, project development and high quality bid writing will help lever in resources to help deliver to our agenda.

APPENDIX 3B: FINANCIAL PERFORMANCE AND PROPOSALS FOR ADJUSTED 2012/13 BUDGET

Note: this appendix presents accrual based accounts and financial reports. This is due to the nature of part of our financial support being from central government and paid quarterly (or more) in arrears; yet accrued to one financial year. Once we run our own bank accounts and accounting we will also need to plan and run cash-based accounts to ensure that we remain solvent.

2011/12 INCOME AND EXPENDITURE

Expenditure category	Income	Expenditure
Core team costs, expenses and overheads		143,542
Projects and subgroups		7,834
Marketing, comms and events		13,316
Research and intelligence		105,900
Other consultancy assistance		19,200
IT/software		3,063
Administrative support		4,787
Income	376,670	
Income - growing places fund	218,075	
Grand Total	594,745	297,642
Surplus (excl. reserved for Growth Places Fund)	297,103	

2012/13 (CURRENT FINANCIAL YEAR TO DATE – 01 APR TO 12 OCT)

Income

INCOME	BUDGET PROJECTION (12 MONTHS)	ACTUAL INCOME RECEIVED
Surplus carried over from previous year (does not include GPF revenue funding)	297,103	79,028
BIS capacity fund	35,600	
*BIS/CLG core funding (new)	125,000	
Growing places fund (additional admin accruing from GPF 'top up' award)	104,000	218,075
LA contributions	140,000	17,500
Event sponsorship	0	2,500
TOTAL INCOME	701,703	317,103

Expenditure

EXPENDITURE	BUDGET (12 MONTHS) £	ACTUAL SPEND £	COMM- ITTED £	TOTAL SPENT + COMMITTED £	% SPENT OR COMMIT TED £	COMMENTS
Core team costs, expenses and overheads	200,964	89,786	89,000	178,786	89.0%	Approx £20k of these expenses will be covered by SFA EZ skills strategy funding and GPF funding. Committed spend is based on current contractual commitments with core team members.
Projects and subgroups	50,500	175	2,000	2,175	4.3%	Have committed £2k to european funding programme development to be led by Herts LEP. Need to retain £10,000 for consultancy assistance in designing funding frameworks, bid processes and appraisal systems.
Marketing, comms and events	25,000	6,129	2,500	8,629	34.5%	
Research and intelligence	6,000	3,150	3,150	6,300	105.0%	
IT/software	3,300	2,307	1,250	3,557	107.8%	Additional spend incurred to install microsoft exchange which allows better diary sharing and mobile access to email
Support for funding bids	10,000	6,000	6,000	12,000	120.0%	Likely will spend £12k on current commitments; this budget line could be expanded significantly, such is the scope to support partners
Administrative support	30,000	6,986	22,000	28,986	96.6%	Based on spend to date on contract commitment with outsourced admin/PA; and commitments to legal contract for provision of template and customised contracts and legal advice.
Growing Places Fund admin/management	75,000	2,800	7,000	9,800	13.1%	Will need to retain headroom for this budgetary item. Yet to draw on legal advice and heads of terms for bulk of GPF projects.
Growing Places Fund Contingency	75,000		75,000	75,000	100.0%	Need to continue to make contingency for future activities and costs
*Chair's remuneration and costs (new)	15,000		15,000	15,000	100.0%	As per contractual arrangement.
TOTAL EXPENDITURE	490,764	117,334	222,900	340,234	69.3%	

PROPOSED ADJUSTED BUDGET 2012/13

Proposed new funded activities

	Cost £	Notes	Rationale
Recruit 2 permanent posts from now (November):			
Executive Director	£20,000 in 2012/13; £90,000 per annum	Includes on-costs, accommodation and overheads. Add to budget line "Core team costs, expenses and overheads" (additional cost in 2012/13: £20,000)	Important that ED is in post to lead recruitment of permanent team and establishment of LEP
Finance and Programme Manager	£15,000 in 2012/13; £60,000 per annum	includes on-costs, accommodation and overheads. Add to budget line "Core team costs, expenses and overheads" (cost in 2012/13: £15,000)	Need to have the expertise, frameworks and mechanisms in place to manage out existing GPF projects; run new GPF funding programme; and set up LEP funding programmes. If GPF round 2 is announced in December 5 Autumn Budget Statement - need to fast track this appointment
Recruitment costs	5,000	Costs for recruitment adverts etc, Add to budget line "Core team costs, expenses and overheads"	
Allocate resources to SIIC review of Inward Investment, and fast-tracking Greater Cambridge inward investment marketing website			
Allocate resources to SIIC to broaden the scope and depth of activities to review inward investment marketing and enquiry handling approaches. Support fast-tracking of Greater Cambridge inward investment website.	20,000	Costs for independent expert consultants to help review inward investment approaches and needs; costs for website collateral and content. Add to budget line "projects and subgroups"	
Introduce project concept development fund			
8 small grants for up to £5,000 each to help seed fund project development (the project pipeline in the LEP area is under-developed)	40,000	add to budget line "Support for funding bids"	The pipeline of investment-ready projects is small and local authorities and other partners lack the funding to invest in project concept development, business case, etc
Allow for support costs to develop funding bids for major opportunities such as RGF Round 4	20,000	add to budget line "Support for funding bids"	To successfully bid for funding programmes such as RGF, we will need to call in technical assistance and additional expertise

Proposed new budget for 2012/13

EXPENDITURE	PREVIOUS BUDGET 2012-2013 £	PROPOSED NEW BUDGET 2012-13 (12 MONTHS) £	COMMENTS
Core team costs, expenses and overheads	200,964	240,964	Additional costs for FT Executive Director and Finance and Programme Manager
Projects and subgroups	50,500	35,000	Existing spend, commitments and projects underway - value of £15,000
Marketing, comms and events	25,000	25,000	Allow for marketing, and events for remaining 5 months
Research and intelligence	6,000	6,300	Reflects contracted commitment
IT/software	3,300	3,300	
Support for funding bids	10,000	70,000	additional £40k for project concept development; additional £20k for major funding bid development (e.g. RGF Round 4)
Administrative support	30,000	30,000	
Growing Places Fund admin/management	75,000	75,000	
Growing Places Fund Contingency	75,000	75,000	
*Chair's remuneration and costs	15,000	15,000	
TOTAL PLANNED EXPENDITURE	490,764	575,564	
TOTAL PROJECTED INCOME	701,703	701,703	

ILLUSTRATIVE BUDGET FOR 2013/14 BASED ON COSTS FOR A TEAM OF SEVEN STAFF*

EXPENDITURE	BUDGET (12 MONTHS) £	COMMENTS
Core team costs, expenses and overheads (Core funding)	386,250	Team of 7 incl: Exec Director, Administrator, Comms and relationships manager, Enterprise manager, skills manager, planning and infrastructure advisor
Core team costs, expenses and overheads (Programme funding)	121,150	Remaining 2 staff (of 7) programme funded: Programme manager paid for by GPF; EZ lead paid for by GPF
Projects and subgroups	50,000	
Marketing, comms and events	25,000	
Research and intelligence	6,000	
IT/software	0	Incorporated in to staff on-costs
Support for funding bids	0	Seek alternative funding sources
Administrative support	0	Incorporated in to permanent FT position
Growing Places Fund admin/management	25,000	Legal and other external costs
Growing Places Fund Contingency	120,000	Cover for future admin, technical assistance, other liabilities
Chair's remuneration and costs	37,500	Incls provision for expenses
TOTAL EXPENDITURE	770,900	
TOTAL (NON-RESERVED) PROJECTED INCOME	822,000	Assumes GPF Round 2 admin allowance of £322k; assumes BIS core funding of £250k matched by local authority contributions

*this does not take into account any surplus funds from 2012/13

ANALYSIS: 2013/14 BUDGET POSITION

- Budget tight – 7 staff – too risky – little headroom in budget
- Need to phase recruitment to reduce cashflow risks in lieu of income
- Some recruitment dependent on Round 2 GPF - risk that this will not be forthcoming

4. RECRUITMENT AND HR (AUTHOR: GA)

FOR DECISION

SUMMARY: FOR DECISION

1. The board recommends that GCGP puts in place plans to recruit a permanent team of between 5 and 7 employees; taking into account that recruitment will need to be managed and phased according to financial viability and cashflow.
 - The process to recruit a full-time Executive Director begins immediately – so that the postholder will be in place to input substantially into designing the team structure and recruiting to it.
 - Immediate steps are taken to recruit a Finance and Programme Manager – as permanent full-time capacity is needed to manage the Growing Places Fund process and to set up new funding programmes as required.

Background

2. **The GCGPEP budgetary position now allows for the recruitment of a permanent team.** The budgetary position (outlined in Board Paper 3.) has been substantially enhanced by the award of Central Government Core Funding (up to £250,000 per annum if matched by local partners) for future years.
3. **The in-year (2012/13) budgetary position has also substantially been enhanced** by the award of £125,000 in core funding (which does not have to be matched in 2012/13).
4. **GCGPEP should plan for a core team of between 5 and 7 employees**, although recruitment will need to be phased (to maintain cashflow), and it is unlikely that the team could be larger than 6 employees unless additional funding sources are found (as the projected budget has little headroom with 7 employees).
5. **There is an immediate need to recruit a finance and programme manager** – in particular to manage the Growing Places Fund projects and transactions – which have proved to have been a significant staff and resource burden to date, meriting a full time employee. The costs of this post can easily be met by GPF allocations for admin (2% of the total fund – up to £322,000).
6. **It is recommended that steps are taken immediately to start the process to appoint a full-time Executive Director** to allow for the best possible approach to recruiting and managing a permanent team. Substantial recruitment activity is likely to begin in February – having an ED in place, working closely with the Chair to finalise the team structure and design; lead and own the recruitment process will yield better results in the long-term.
7. **It is recommended that a broad range of recruitment options are considered**, including the potential to recruit secondees from local organisations and stakeholders, and support for an apprenticeship. Use of secondees would also be dependent upon the ability for them to dedicate sufficient time to fulfil the job roles fully.

Existing team structure

8. **The existing team structure was created to kick-start the work of the GCGPEP** and to add some initial executive capacity. All individuals are contractors. Current team roles and activities include:
 - Interim Executive Director (Glenn Athey: 4 days per week): responsible for the overall business strategy for the LEP, board agendas and meetings, and creating an economic action plan to further develop the local economy. Leads on Inward Investment, European Funding and finance, and meeting with the LEP Local Authority Reference Group.

- Communications and Engagement Lead (Laura Welham-Halstead: 3 days per week): responsible for all external and internal communications relating to the work of the LEP, including stakeholder engagement, PR, events, e-newsletters, and the LEP website. Also manages the admin support team, minutes the LEP Board meetings, manages the LEP Core Budget, handles HR matters and supports the Science Innovation and Industry Council Group
- Infrastructure and funding lead (Natalie Blaken, 3 days per week): responsible for creating an infrastructure plan that will support economic growth for our LEP area, as well as implementing the Growing Places Fund and managing other funding streams (including EU Funding). Lead relationship manager and coordinator of Enterprise Zone strategy and issues.
- Skills and Business Growth lead (Mark Cooper, 3 days per week): responsible for the creation of a Skills Strategy tailored towards the requirements of local businesses (and shaped by the Skills Strategy Group), the delivery of a Skills Funding Agency project to map and help deliver the skills required for Alconbury Enterprise Zone, and for developing a strategy for the future of business growth and support in our LEP area.
- Administrative support (contracted to Judit Gorog): all administrative and secretarial support for GCGPEP core staff and board members.

Options for future team structure

9. An illustrative team structure has been outlined in Figure 4.1 below, based on pragmatic understanding of the current operating environment and challenges ahead. Of course, it is recognised that any final team structure should reflect the final Growth Prospectus and subsequent business plan.
10. A mix of grades and salaries is presented. Most roles are envisaged as being fairly senior, requiring a range of experience in discrete technical areas of specialism; communications and stakeholder engagement; policy and government engagement; and a track record of professional experience in a closely related role or field. Exact job titles and functions can be refined subsequently – for example, one functional role could be at Director level (i.e. senior management/ to stand in for the Executive Director when required).
11. Figure 4.2 shows illustrative annual costs of a team of up to 7 employees, and includes on-costs (such as employer NI contributions, pension contributions and overheads).
12. It is assumed that some posts are ‘programme funded’ – i.e. they can be funded through ‘external’ funding sources, such as the Growing Places Fund.
13. There are other options for structuring a team – for example, once a permanent office base is secured, GCGPEP may be able to employ an apprentice.

Figure 4.1: Illustrative team structure

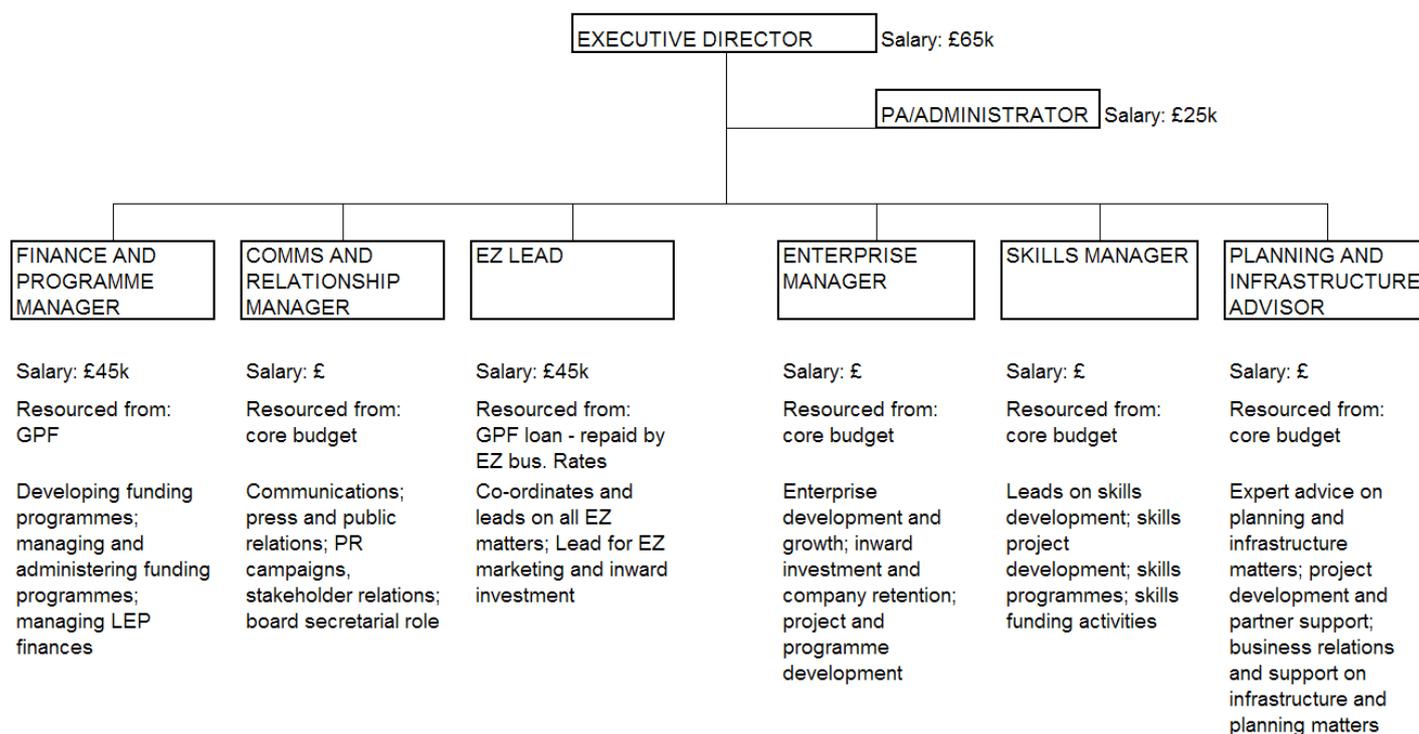


Figure 4.2: Illustrative annual costs

POST	Salary	NI	Pension	Expenses	Overheads (incl office and IT)	Total	
Executive Director	65,000	9,100	3,250	2,500	8,000	87,850	core funded
PA/Administrator	25,000	3,000	1,250	500	8,000	37,750	core funded
Finance and Programme Manager	40,000	5,600	2,000	2,000	8,000	57,600	assume that this will be funded by GPF rounds 1 and 2
Post 2	40,000	5,600	2,000	2,500	8,000	58,100	core funded
EZ Lead	45,000	6,300	2,250	2,000	8,000	63,550	assume that this will be funded by GPF round 2
Post 4	55,000	7,700	2,750	2,000	8,000	75,450	core funded
Post 5	45,000	6,300	2,250	2,000	8,000	63,550	core funded
Post 6	45,000	6,300	2,250	2,000	8,000	63,550	core funded
Core budget costs						386,250	
Programme funded costs						121,150	

5. GROWTH PROSPECTUS – INTERIM FINDINGS FROM CONSULTATION RESPONSES (AUTHOR: LWH)

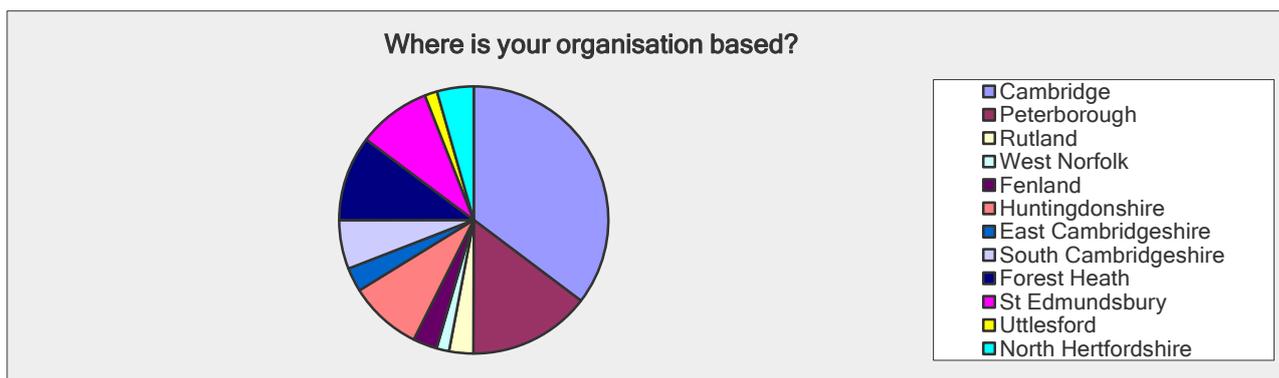
FOR INFORMATION

SUMMARY: FOR INFORMATION

1. This paper provides the Board with a brief overview of the early stage findings of the GCGPEP Growth Prospectus Consultation.
2. A key finding from the consultation is that many of the key priorities and areas for action were endorsed by consultation responses, and that these also relate strongly to the work of GCGPEP to date.
3. There are a number of challenges from consultation responses which potentially broaden the GCGPEP remit: including other policy and activity areas such as heritage; and the need to discuss particular local issues and priorities in much more detail.

OVERVIEW

4. The LEP held a Growth Prospectus Consultation to gain feedback from a wide variety of organisations across the LEP area to prioritise our future work streams. The consultation attracted responses from across the LEP area (see the chart below), and from a range of different organisations, including micro, SMEs, voluntary and public sector organisations.



5. **Enterprise:** When asked to rank strategic enterprise projects in order of priority, local organisations prioritised promoting and enabling growth enterprises followed by providing better access to enterprise finance.
6. **Science, Innovation and Industry:** The top two priorities identified by our respondents were to launch a campaign and programme to promote the “Make it here” campaign, followed by focusing on innovation adoption to capture local business benefits.
7. **Employment and Skills:** The spread of priorities for Employment and Skills were far more diverse than other response categories. The top two priorities were improving skills attainment amongst young people and addressing the lack of preparedness of young people for work.
8. **Transport:** Within this category there was a clear priority – getting a greater share of the national funding pot to support investment in growth and regeneration, with developing innovative funding mechanisms for transport investment as a secondary, but significant, priority.
9. **Broadband:** 68.3% of respondents agreed that delivering superfast broadband throughout the GCGP area is the right priority for the LEP. 14.3% said maybe, and 17.5% said no. Those who did not believe

broadband should be a priority for the LEP stated that whilst it was an important issue, it was not necessarily a key priority for the LEP to move forward.

10. **Housing:** Securing adequate market housing affordable housing was identified as the top priority for the LEP by our respondents, followed by addressing problems of access to mortgage finance.
11. **International:** Two projects were joint priorities amongst respondents: securing international investment in the GCGP area and improving international profile and branding of our area and its local priorities.
12. **Alconbury Enterprise Zone:** The key priority for the EZ is to deliver an Enterprise Zone with accommodation to meet market needs in identified key sectors to support the wider LEP economy. Followed by creating a range of incentives to benefit businesses.
13. **Place:** Better connecting opportunity and need through enhanced transport and broadband access was the priority project, followed by ensuring that the economic needs of rural areas are given prominence.

Additional Feedback

14. In addition to the responses given above, all respondents were offered the opportunity to suggest additional areas of priority for the LEP and feedback more generally on the focus of the Growth Prospectus.
15. The importance of wider factors, such as environmental, heritage and cultural issues (including the visitor economy), on the local economy were raised by a number of respondents. The LEP is therefore looking into ways to include these elements within existing prioritised work streams.
16. The Environment Agency has agreed to provide two members of staff (for free) to review all Growth Prospectus responses, and the final document, to suggest ways in which environmental issues and/or constraints can be realistically worked into the overall plan.
17. A lack of support from the Government was highlighted as a concern, coupled with the relatively small size of the support team to take forward even a small number of priority projects.
18. A question as to whether the LEP should only focus on projects that can only, or most effectively, be addressed across geographies larger than district or county level, or where advocacy or lobbying of central Government is the most appropriate intervention.
19. A reminder that funding should be spread across the whole of the LEP area, not just focused on more 'affluent' areas.
20. The inclusion of the importance of the Voluntary and Social Enterprise was widely welcomed, and a reminder of shared issues and potential solutions that sit within broader subject areas rather than just as a stand-alone topic, e.g. business support provided by VSE should be included within business support more broadly. A reminder of the importance of this work, and that high level of funding cuts within this sector were also highlighted.
21. Additional consideration also needs to be given to the level of local detail we add into the Growth Prospectus document, with some areas keen to have more detailed information relating specifically to their locality within the document.
22. Adding further diagrams to replace text to make the final document more accessible was also suggested, and significant further work on the layout will be carried out once the final copy is agreed.

Next steps

23. The LEP team will continue to work through the detailed comments, updating the Growth Prospectus and discussing the next steps for creating projects that can successfully move forward the areas of priority identified by this consultation.

24. The team will respond to every point made to ensure all respondents' views have been fully considered and that the LEP's processes are transparent and approachable.
25. A final draft of the Growth Prospectus will be brought back to the next Board meeting for consideration and approval.

6. A14 UPGRADE PROPOSALS (AUTHOR: NC/AP)

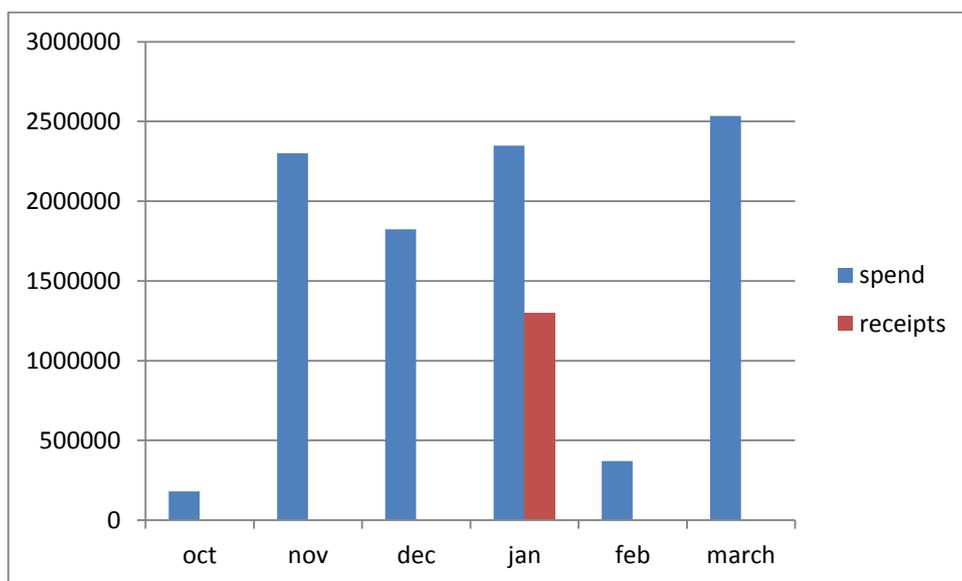
Board paper to be circulated in due course

7. SKILLS STRATEGY SUBGROUP DELIVERY AND FUNDING PROPOSALS (AUTHOR: AA/MC)

Board paper to be circulated in due course

8. GROWING PLACES FUND (AUTHOR: NB) – CONFIDENTIAL – INFORMATION ON INDIVIDUAL SCHEMES FOR BOARD CIRCULATION ONLY

1. Since April 2012, 11 Growing Place Fund proposals have been developed with partners. The Fund totals £15,678,000 capital, and £322,000 revenue to support management and costs associated with the funding programme. To date, £3m of the fund is allocated in funding agreements and £20,000 in costs has been spent on legal and additional project management costs.
2. **Anticipated spend and receipts from GPF** are shown below to the end of the financial year 2012/13.



3. **Contingencies for underspend on Round 1 GPF allocations:** there is a risk that some of the GPF projects will not fulfil their 31 January deadline in terms of signed off funding agreements. Suggested actions include:
 - Prepare materials and guidance to issue another call for funding proposals/bids
 - Be prepared to reduce the minimum loan/grant threshold to encourage smaller scale (in particular, business) projects
 - Allocate an amount to a 'project development fund' which can grant fund organisations to undertake project development work for major capital projects (funding which can be capitalised)
4. **CLG has confirmed that recycle funds can be used as the discretion of LEP Boards** and there are no constraints on the projects that might be supported. From current estimates, the following funds would be available for recycling to new projects. Clearly, given only two funding agreements are in place at this point in time, they are indicative of the estimated position and further clarity will be needed before further commitments can be made both in terms of the available resource and the priorities for that resource.

2012/2013	£1,000,000
2013/2014	£5,134,000
2014/2015	£1,510,000
2015/2016	£2,710,000

9. INVITATIONS TO JOIN BOARDS OF OTHER ORGANISATIONS AND PARTNERSHIPS (AUTHOR: GA)

FOR DISCUSSION

SUMMARY: FOR DECISION

1. **Request to join A47 Alliance – volunteer board member:** joining campaigning and special interest group to make the case for improvements and identify options for delivery for this strategic route linking much of the northern part of the GCGPEP area.
2. **Request to join Greater Cambridgeshire Local Nature Partnership – volunteer board member:** opportunity to give this new partnership strong connections to economy and business perspectives.
3. **Forthcoming – for information – will be request for a number of GCGPEP board members to join the Cambridgeshire, Peterborough and Rutland Local Transport Board:** this board will oversee the prioritisation and allocation of DfT funding to local transport projects.

Invitations to join board: A47 Alliance

4. **Request to join board of A47 Alliance** sent to Mark Reeve by Chair of A47 Alliance - Cllr Graham Plant, Cabinet Member for Travel and Transport, Norfolk County Council.
5. **A47 Alliance is an interest group under the New Anglia LEP – key aims/objectives:**
 - Recognises the A47 as a strategic priority – much of the A47 lies in Cambridgeshire and Peterborough. Particularly important linking A1 to east-west route between Peterborough and King's Lynn.
 - Studies have indicated that the wider economic benefits of A47 improvement would unlock 10,000 additional jobs and increase GVA by £400m per annum within Norfolk alone.
 - Cambridgeshire County Council is a member of the A47 Alliance with representation on the steering group. Have written to Peterborough City Council to request that they join the A47 Alliance.
 - MPs in Westminster have given feedback that approach is welcomed by government
 - A47 Alliance would act as a campaign and special interest group: that would to demonstrate political and business backing; working up a business case and options for delivery mechanisms for A47 improvements

Invitation to join board: Cambridgeshire Local Nature Partnership

6. **Local Nature Partnerships** originate from the Natural Environment White Paper 2011, The Natural Choice: Securing the Value of Nature, where Government identified them as being an effective method for promoting the social and economic benefits of having a high quality natural environment.
 - LNPs will bring together knowledge and expertise from a wide range of stakeholders, as it is now widely understood that the natural environment also provides many economic and social benefits.
 - A diverse range of individuals, organisations and businesses will come together to identify opportunities to protect and improve nature at a local level.
 - LNPs will create a vision and plan of action of how the natural environment can be taken into account in decision making.

- LNP's making strong play for LEPs to get involved. Overt mission of LNP to recognise and develop economic benefits of nature/green infrastructure.
7. Invitation to join board sent on 16 October 2012 from Mike Davey (Service Director: Community Engagement, Cambridgeshire County Council), the Acting Chair of Greater Cambridgeshire Local Nature Partnership
 8. Lessons from elsewhere: New Anglia LEP are on the board of their Local Nature Partnership, 'Wild Anglia', which fits into their "Green Pathfinder" campaign and their wide support for marketing and approach their LEP area as a leader in environmental assets, infrastructure and goods and services (e.g. tourism, food and drink, renewable energy).
 9. **Issues for discussion:**
 - a. **How related to GCGP** vision and role
 - b. **Boundaries:** Cambridgeshire LNP; Wild Anglia LNP; Rutland; Peterborough – issue of representation/coverage

Forthcoming – for information – will be request for a number of GCGPEP board members to join the Cambridgeshire, Peterborough and Rutland Local Transport Board

10. Local major transport schemes have traditionally been approved and funded individually by Central Government under a centralised bidding process. The Government's previous Regional Funding Allocations process took the initial scheme prioritisation away from Whitehall, but business cases for individual schemes were still required to be submitted for DfT approval.
11. Government want to create a more devolved system from April 2015. The primary decision making bodies on the use of the devolved funding will be **Local Transport Bodies (LTBs)**.
12. LTB membership must be open, as a minimum, to all the constituent local transport authorities (LTAs) that are within the LTB area, and to the primary LEP or LEPs upon whose geography the LTB is based.
13. DfT has sought to base LTB geographies on local transport authorities. It has been agreed with neighbouring LEPs that districts that are part of the GCGPEP area in Hertfordshire, Suffolk and Norfolk would be part of LTB arrangements in their own local transport authorities. Therefore the proposal that has been made to DfT is to have a Local Transport Body comprising the local transport authority areas of Cambridgeshire, Peterborough and Rutland.
14. The LTB will decide how local transport funds from DfT will be allocated. There are a number of key features of these arrangements:
 - The available funding will be distributed on a simple per-capita basis. Indicative figures for planning assumptions will be provided for each LTB in October 2012. Confirmation of the actual level of funding available will be made following the next Spending Review. Indications are that annual funding is likely to be in the range of £10-20m (likely to be at the lower end of the scale).
 - LTBs will need to operate within assurance frameworks that meet minimum standards of governance, financial management, accountability, meeting value for money and environmental considerations. The frameworks will need to be approved by the Department and we will set out the minimum requirements in more detailed guidance shortly.
 - Very unlikely to be scope to retain or to 'collect' funds for major schemes – likely to be required to be spent or committed in-year (or allocated time period). DfT guidance states that for major schemes where the LTB allocation is insufficient - partners much find other contributions.

- Anticipated that neighbouring LTBs will collaborate and co-finance transport schemes.
- Annualisation of this funding process will be very challenging to manage – i.e. project development, business case, and then drawing down funding – very challenging to undertake this within a 12 month cycle.
- There is a lack of clarity on how the costs of running and maintaining LTBs will be met.

15. Therefore it is important that sufficient planning and preparatory work goes into setting up the LTB and the processes for investment allocation.

APPENDIX 9A: INVITATION TO JOIN A47 ALLIANCE



Coordinator – David Cumming
A47 Alliance
Bay 4 Floor 2
County Hall
Martineau Lane
Norwich
Norfolk NR1 2SG

Email: david.cumming@norfolk.gov.uk

Mr M Reeve Interim Chair, GCGP LEP
info@yourlocalenterprisepartnership.co.uk

Chairman – Cllr Graham Plant
Vice chairman – Cllr Vivienne Spikings

Please ask for: David Cumming
Contact number: 01603 224225

Your ref:
My ref:

19 October 2012

Dear Mr Reeve

A47 Alliance

I am writing as chair of the A47 Alliance. The Alliance brings together a range of partners supporting improvements to this road, operating as an interest group under the New Anglia LEP.

New Anglia has identified the A47 as a strategic priority whilst I have revitalised the Alliance, giving it more of a strategic focus. We are starting to see the results of this, having met with MPs in Westminster and received feedback that our work is being recognised by government as 'the right thing to do.'

We have strong support from the eastern end of the route including the New Anglia Local Enterprise Partnership. However, much of the A47 lies in Cambridgeshire and Peterborough. Whilst Cambridgeshire County Council is a member of the Alliance and represented on the steering group, Peterborough Council is not. I have written to the City Council to ask if they are interested in joining the Alliance.

I would like to extend the invitation to join the Alliance to the Greater Cambridge Greater Peterborough LEP. The support of both LEPs will be vital in our efforts to get this road recognised. I believe there is an opportunity to make progress given the coalition government's willingness to examine the economic case for strategic transport investment.

Being able to demonstrate support along the route will help make the case to government.

Chairman: Cllr Graham Plant, Cabinet Member for Travel and Transport, Norfolk County Council. Tel:
01603 - 2222500

Vice Chairman: Cllr. Vivienne Spikings, Cabinet Member for Development, Borough Council of King's Lynn & West Norfolk

I believe our case is strong: study work examining the wider economic benefits of A47 improvements shows that focussed improvements could deliver substantial returns; unlocking 10,000 additional jobs and increasing GVA by some £400m per annum within Norfolk alone.

Whilst I realise that the GCGP LEP will see the A14 as the main east-west road link I do think that there are compelling reasons why it should also support the case for the A47. The A47 is the main east-west link for Peterborough and King's Lynn (which is in both the New Anglia and GCGP LEPs). It is important to connect the settlements westwards to the A1 (providing links northwards) and eastwards to northern East Anglia, and beyond to Europe via the port at Great Yarmouth and Norwich International Airport. It is the main economic artery eastwards connecting Peterborough's strong manufacturing and logistics sectors to similar industries within north Cambridgeshire and Norfolk.

As stated, I am looking to revitalise the A47 Alliance. We are seeking support from a wide range of stakeholders, especially businesses, to demonstrate backing for focussed improvements and help work up a business case and identify delivery mechanisms. There is a smaller steering group that oversees, leads and coordinates this activity. The steering group comprises local authority and business representatives.

I would like to extend the invitation for the GCGP LEP to join the Alliance and be represented on the steering group. I look forward to hearing your thoughts on this.

If you would like to discuss the matter, please feel free to contact David Cumming, the officer coordinating the A47 Alliance on 01603 224225 or email david.cumming@norfolk.gov.uk.

Yours sincerely



Graham Plant

Chairman: Cllr Graham Plant, Cabinet Member for Travel and Transport, Norfolk County Council. Tel: 01603 - 2222500

Vice Chairman: Cllr. Vivienne Spikings, Cabinet Member for Development, Borough Council of King's Lynn & West Norfolk

APPENDIX 9B: INVITATION TO JOIN GREATER CAMBRIDGE LOCAL NATURE PARTNERSHIP

My ref: MD/LNPBoardInvite
Your ref:
Date: 16 October 2012
Contact: Mike Davey
Direct dial: 01223 699921
E Mail: mike.davey@cambridgeshire.gov.uk



Corporate Directorate: Customer Services
and Transformation

Community Engagement

Box No: RES1006
Shire Hall
Castle Hill
Cambridge
CB3 0AP

Dr Glenn Athey
Executive Director
Greater Cambridgeshire Local Enterprise
Partnership
Cambridge Network, The Entrepreneurship Centre
Hauser Forum
3 Charles Babbage Road
Cambridge
CB3 0GT

Dear Dr Athey

Greater Cambridgeshire Local Nature Partnership

I am writing to you as Acting Chair of the Greater Cambridgeshire Local Nature Partnership (LNP) Working Group, set up to formally establish a Local Nature Partnership for the Greater Cambridgeshire area.

Local Nature Partnerships originate from the Natural Environment White Paper 2011, *The Natural Choice: Securing the Value of Nature*, where Government identified them as being an effective method for promoting the social and economic benefits of having a high quality natural environment. The LNPs are also encouraged to work closely with Local Enterprise Partnerships (LEPs) and Health and Wellbeing Boards (HWBs) to, among other things, contribute to local plan and decision making.

To develop a LNP for this area, a bid was submitted to Government for formal recognition. This was granted in July and as a result, a Working Group, representing key partners, was established to take forward the establishment of a LNP Board that would be responsible for delivering positive change in the local natural environment in the Greater Cambridgeshire area. We would very much value your organisations involvement on the Board and therefore wish to invite **you** to join the Board of the **Greater Cambridgeshire LNP**.

The first meeting will be on **Tuesday, 6 November** at Huntingdonshire District Council's office at Pathfinder House, Huntingdon from 11.30am to 1.00pm, with a sandwich lunch provided. As a LNP Board member you will play an important role in providing strategic direction to the Greater Cambridgeshire Local Nature Partnership, ensuring delivery of a healthy high quality natural environment for Greater Cambridgeshire.



Chief Executive: Mark Lloyd

www.cambridgeshire.gov.uk

I hope that you or someone from your organisation will be willing to take on this important, high profile role and would be grateful if you could confirm your agreement and attendance.

I look forward to meeting you on the day but if you have any questions or would like to discuss the role, in more detail, then please contact me on the number above or my colleague, Phil Clark, Community Greenspaces Officer, at the County Council on 01223 715686.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Davey'.

Mike Davey
Service Director: Community Engagement

10. ADDITIONAL ITEMS FOR INFORMATION/DISCUSSION (AUTHOR: GA)

SUMMARY

FOR DISCUSSION

1. **Local authority scrutiny:** GCGPEP received a request from Cambridgeshire local authorities to conduct a scrutiny meeting with Cambridgeshire (county and district) councillors. It is recommended that formal scrutiny procedures be incorporated into the conditions of Corporate Membership (introduced in Board Paper 10.) – as all 12 local authorities are Corporate Members of GCGPEP.
2. **European Funding:** there is a significant risk that the 2014-2020 programmes will have limited local flexibility and input for the GCGPEP area. We must maintain our lobbying and influencing effort to ensure that we have a programme which is flexible enough to meet local needs and is accountable to LEPs, businesses, local authorities and other organisations.

FOR INFORMATION

3. **DCLG/BIS Core Funding:** £125,000 being provided as immediate payment. £250,000 per annum for 2013/14 and 2014/15 contingent upon matched funding and publishing of economic growth strategy and business plans for use of funds. Funding is unringfenced.
4. **Recycling RDA Venture Capital and Loan Funds:** LEPs have been invited by Capital for Enterprise Limited (BIS's vehicle for management and ownership of the funds) to submit proposals on use of recycled funds (for business loans and investments).
5. **Heseltine Review:** the Heseltine Review reported on 30 October 2012 on how the UK might more effectively create wealth. There are a number of significant recommendations for LEPs, which, if implemented, would strengthen their role and status.

Local authority scrutiny

6. **GCGPEP has received a request from Cambridgeshire local authorities to hold a scrutiny meeting.** Our response has been that this could be better managed and coordinated as part of local authorities' terms of Corporate Membership – and Board Paper 10. outlines an approach for 2 scrutiny meetings per year.
7. **Any scrutiny arrangements should be informed and agreed by the GCGPEP board.** Any information for scrutiny meetings should have received prior board-approval and clearance.
8. **There has been a further request for an informal scrutiny meeting in December.** It is recommended that this is turned down by the GCGPEP board with the statement that whilst there is recognition that transparency and accountability are of the utmost importance, this is best conducted formally along the lines of defined procedures with board-approved information and in a coordinated manner; quarterly meetings are held with local authority leaders and chief executives; and it is the procedure of GCGPEP to publicly release any business plans and performance assessments.

European Funding

9. **DCLG and BIS have been working on their preferred options for European Funding Programmes 2014-2020.** Indications are that they will propose a mixture of national and subnational arrangements, with a strong element of national programme design and management, including co-financing national programmes.
10. **There is a significant risk that proposals remove levels of local input, customisation and scrutiny** that we have previously enjoyed will not exist in the 2014-2020 programmes. Indications and information to date

are that government will support city-region (metropolitan) programme areas – which means that geographical areas without large metropolitan areas are likely to be disenfranchised.

11. **The existing DCLG programme secretariat have not been constructive** in supporting local work to prepare options for the 2014-2020 programmes. Despite other LEPs accessing Technical Assistance Funding in other parts of England – our regional secretariat have refused to engage with both LEPs and local authorities on this matter.
12. **GCPGPEP has been heavily involved in discussing these matters with neighbouring LEPs and we have lobbied relevant ministers on this.** We need to be prepared to step up this lobbying once the formal options are unveiled by DCLG and BIS on 30 November.
13. **DCLG and BIS are holding a consultation event on the afternoon of 30 November (at Ipswich Town FC) –** if you wish to attend contact Glenn Athey who will arrange this.

DCLG/BIS Core funding

14. **On 17 September Ministers announced that the Government will provide over £24m core funding for the remainder of this Parliament to provide capacity for LEPs** to drive forward their growth priorities, allow them to do long term resource planning and strengthen support and autonomy of the business led boards
15. **Ministers have clear expectations that where LEPs have not yet reached the stage of publishing their strategy for local growth, they should do so by the end of 2012.** A strategy, for this purpose, should be a published document which sets out what the LEP's priorities for local growth are, and how it intends to support them, and against which the LEP answers to its partners and stakeholders.
16. **DCLG and BIS are proposing to offer up to £250,000 in total per annum of matched core funding to each LEP for the remainder of this Parliament until 2014/15,** subject to satisfactory proposals being received. DCLG and BIS are providing a one-off payment of £125,000 funding for 2012/13 to provide immediate support. Payments are made under Section 31 powers from DCLG to designated local authorities to act as accountable bodies. Section 31 grant is un-ringfenced.
17. **This is exactly the position which GCPGPEP outlined in both its written submissions to the Parliamentary Select Committee on The New Local Enterprise Partnerships,** and was presented to the session in parliament on 11 September by Mark Reeve.
18. **Funding in 2013/14 and in 2014/15 will be dependent on matched funding from local partners.** There are three core requirements for applying for funding in these two years:
 - i. That the LEP secures and provides an explanation of local match funding on equal value against future draw down of resource;
 - ii. That the LEP has a clear set of published strategic priorities for its economic growth in its area;
 - iii. That the LEP submits an outline budget, which summarises overall spend/planned spend for the funding period of 2013/14 – 2014/15 and confirms that a local agreement has been reached as to how the 2012/13 interim funding should be spent. This should also include commentary of progress towards a locally self-sustained budget. See paragraphs 14-15 for details.
19. **A core funding application document for 2013/14 should be submitted no later than 15 February 2013.**
20. **A definition of eligible matched funding is provided in the table below**

The table below sets out what should be either in scope or out of scope in terms of matched Government funding.

In scope for match	Out of scope for match
Public and/or private financial contributions towards the LEP's running costs	Local authority or private sector premises loaned to the LEP or other in kind support
Staff resources from partners which must be placed wholly under the direction and control of the LEP	Local authority or private sector controlled staff and resources
Private sector Board members' time in leading specific projects which goes beyond fulfilling their function as a Board member.	Local authority or private sector advice or consultation services
	Private sector Board members' time in fulfilling the functions of the Board
	Other Government funding schemes eg: <ul style="list-style-type: none"> • Growing Places Fund • EU funding • BIS' LEP Capacity Fund. • LEP core funding from Government carried over from previous financial year • Funding which the LEP has already used as a basis for matched funding.

Recycling RDA Venture Capital and Loan Funds

21. **Capital for Enterprise Limited** is a non-profit company set up by BIS to take on ownership and management of ex-RDA originated business loan schemes and venture capital funds.
22. **LEPs are invited to submit recycling proposals**, and need to be endorsed by BIS (and DCLG if necessary). Proposals need to meet the stated value for money requirements of CfEL, which include:
- Clarity of objectives
 - Realism about nature of proposed interventions and likely risks and payback periods
 - Evidence of needs, intelligence and analysis
 - Critical mass – of sufficient scale to be efficient (small scale loan and VC funds can be very inefficient)
 - Use of existing delivery bodies and expertise
 - Leveraging other funds
 - Non-proliferation/duplication with other funds
 - Quality of management
 - Viability and sustainability
 - Compliance with State Aid and other regulations
 - Selection of fund managers is subject to EU and UK procurement rules
23. **Other conditions relate to the European funding** used to co-finance the initial RDA programmes which are being recycled. The first re-use of ERDF returns has technical restrictions on it, usually that it must be re-used in the region (or sub-region), and for the same purpose, for which it was originally provided and

the manner of its re-use needs to be auditable. Non-compliance with this can result in clawback of ERDF and other issues.

Heseltine Review

24. In March 2012 the Prime Minister asked Lord Heseltine to report to the Chancellor of the Exchequer and the Secretary of State for Business as to how we might more effectively create wealth in the UK. The final report was released on 30 October 2012 as “No Stone Unturned: in pursuit of growth”.
25. The report is a comprehensive set of 89 recommendations. Many of them touch on localism and local and regional economic issues.
26. Importantly, there were some significant recommendations relating to LEPs, including:
 - Big government does not work – need to embrace the strengths of our cities and regions
 - Government must reverse centralisation and unleash the dynamic potential of our local economies
 - Notwithstanding notable successes, the productivity and performance of the average British business is simply not strong enough – more actions and efforts needed to boost the performance of large and mid-sized businesses
 - Need for stability in institutional arrangements for economic policy and economic development – including at the local level
 - Significant devolution of funding from central government to Local Enterprise Partnerships
 - Clear statement by government of its priorities to guide Local Enterprise Partnerships in the preparation of strategic plans for their local economies
 - In addition to the recent core funding announcement - the Government should allocate LEPs up to £250,000 of new public funding, resourced through departmental efficiency savings and underspends, in each of years 2013/14 and 2014/15 specifically to devise their local economic strategies, and create the foundations for their implementation
 - Remove overlaps between LEP areas – the Government should invite LEPs to review their boundaries
 - Civil servants based across the country should be brigaded into Local Growth Teams, structured around clusters of LEPs, primarily tasked with joining up government and local partners in the areas of their responsibilities to facilitate, identify and realise economic opportunities
 - Ministers and permanent secretaries should be associated with individual LEPs, not to advocate individual plans but to add an understanding of place to the existing culture of function.
 - What is not known yet is how the government will respond to the Heseltine Review and recommendations. There is no commitment to implement the recommendations.
27. There were other recommendations of relevance to local authority partners – including making it a legal duty for local authorities to have regard to economic development in the exercise of all their activities.
28. What is not known yet is how the government will respond to the Heseltine Review and recommendations. There is no commitment to implement the recommendations.

11. FORTHCOMING ITEMS FOR JANUARY BOARD MEETING: CORPORATE GOVERNANCE (AUTHOR: GA) FOR INFORMATION

SUMMARY: FOR INFORMATION

- 1. The board notes the proposals to flesh out the benefits and responsibilities relating to Corporate Membership of GCGPEP – all 13 local authorities are corporate members.**
- 2. The board notes the intention to create the board position of Vice Chair.**
- 3. A board paper detailing changes to corporate articles and membership will be presented at the January board meeting for approval.**

Changes to the company's articles of association and terms of membership

- 4. All 13 local authorities are corporate members of the GCGPEP limited company.** However, to date, there has been little detailed description of the benefits or responsibilities accruing the corporate membership.
5. There have been a number of local authority points of business over the past six months that would be appropriately dealt with by putting more detail into the definitions of corporate membership, namely:
 - **Scrutiny:** Biannual review meetings with LA CEOs and leaders (joint meeting): Review prior to finalization of business plan –January/February; Mid-year review – early September.
 - **Confidentiality:** Corporate members are able to access information classified as confidential, but are bound by agreed corporate confidentiality and information protocols (I am seeking legal advice on their definition, whether need Non-disclosure agreements etc).
 - **Emergency measures:** LA corporate members can assume the board role and governance of GCGPEP Limited under the specific circumstances of: Normal board membership and functioning insufficient to meet corporate governance requirements set out in the company articles – e.g. insufficient board membership for quorate decisions, no chair (seek legal advice on specific criteria); company being wound-up or dissolved without functioning board governance in place; direct instruction by existing board for corporate members to reconstitute board or company governance.
 - **Long stop clauses relating to asset disposal:** If GCGPEP limited is being wound up – that, in the event of an absence of prior board directives concerning asset disposal, any decisions about disposal of net assets would revert to Corporate Members.
- 6. Creating a Vice Chair board position:** this was suggested in the approved corporate scheme of delegation; and would also seem sensible across a number needs in relation to representation and undertaking business. It is proposed that the position and responsibilities of Vice Chair are established in the company articles, and that this position is filled by an existing business board member